

**UNITED STATES OF AMERICA BEFORE THE  
DEPARTMENT OF ENERGY  
OFFICE OF ELECTRICITY**

AEP Energy Partners, Inc.

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Docket No. EA-318-C

**RENEWAL APPLICATION OF AEP ENERGY PARTNERS, INC. FOR  
AUTHORIZATION TO TRANSMIT ELECTRIC ENERGY TO MEXICO**

Pursuant to Section 202(e) of the Federal Power Act, 16 U.S.C. § 824a(e), and the regulations governing applications for authorization to transmit electric energy to a foreign country, 10 C.F.R. § 205.300, *et seq.*, AEP Energy Partners, Inc. (“AEP-EP” or the “applicant”) hereby submits this renewal application and requests that the Department of Energy, Office of Electricity (“DOE”) extend AEP-EP’s existing export authorization by granting AEP-EP blanket authorization to export electric energy from the United States of America (“United States”) to Mexico over any authorized international electric transmission facilities that are appropriate for “open access” transmission by third parties, including facilities that have been authorized but not yet constructed and placed into operation (once such facilities have been issued a Presidential Permit and placed into commercial operation), in accordance with the export limits authorized by DOE. A list of the currently authorized international transmission facilities is attached as Attachment A.

AEP-EP further requests that DOE authorize AEP-EP to export electric energy for a term of five (5) years, or any longer period allowed by DOE, with an effective date of January 14, 2023, which is the day after AEP-EP’s current authorization expires.

## **I. DESCRIPTION OF APPLICANT AND BACKGROUND**

AEP Energy Partners, Inc. is a Delaware corporation with its principal place of business in Columbus, Ohio. AEP-EP is a wholly-owned, indirect subsidiary of American Electric Power Company, Inc. (“AEP Inc.”), which is a New York corporation with its principal place of business in Columbus, Ohio.

AEP-EP does not own, control or operate any electric generation, distribution or transmission assets or natural gas transportation or distribution assets in the United States or Mexico. AEP-EP also does not have a franchised electric power service area or service territory for the transmission, distribution or sale of electric power in the United States or Mexico. Therefore, it has no native load customers that it has a regulatory obligation to serve. In addition, AEP-EP, as a competitive power marketing entity, operates under Federal Energy Regulatory Commission (“FERC”) Code of Conduct rules separately from AEP Operating Companies (*e.g.*, AEP Texas Inc., Public Service Company of Oklahoma and Southwestern Electric Power Company), that have a franchise or service territory for the transmission, distribution and/or sale of electric power and own electric generation, transmission or distribution facilities.

On January 28, 2013, DOE issued Order No. EA-318-C renewing AEP-EP’s authorization to export electric energy to Mexico as a power marketer for a term of ten years. DOE has granted each of AEP-EP’s prior applications for export authorization.<sup>1</sup> Given the January 13, 2023 expiration date of AEP-EP’s existing license, AEP-EP seeks to renew its authorization to export power to Mexico for a term of five years, or any longer period allowed by DOE, with an effective date of January 14, 2023, which is one day after AEP-EP’s current authorization expires.

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<sup>1</sup> AEP-EP was originally granted export authorization to sell energy to Mexico in OE Docket No. EA-318 in 2007.

## II. INFORMATION REQUIRED PURSUANT TO 10 C.F.R. § 205.302

The following information is provided in accordance with 18 C.F.R. § 205.302:

- A. The exact legal name of the application: AEP Energy Partners, Inc.
- B. The exact legal name of all partners: None.
- C. The name, title, post office address, and telephone number of the person to whom correspondence regarding the application shall be addressed:  
  
Thomas M. Myers  
Vice President, AEP Energy Partners, Inc.  
1 Riverside Plaza, 31<sup>st</sup> Floor  
Columbus, OH 43215  
Telephone: (614) 716-3170  
tmyers@aep.com  
  
Carol Gosain  
Steptoe & Johnson LLP  
1330 Connecticut Avenue, NW  
Washington, DC 20036  
Telephone: (202) 429-6461  
cgosain@steptoe.com
- D. The state or territory under the laws of which the applicant is organized or incorporated, or authorized to operate. If the applicant is authorized to operate in more than one state, all pertinent facts shall be included:

AEP-EP is a Delaware corporation with its principal place of business in Columbus, Ohio, and is registered to do business in the States of California, Hawaii, Kansas, Michigan, Minnesota, Ohio, Pennsylvania, Texas and Washington. Additionally, AEP-EP may engage in transactions in which it purchases surplus electric energy from electric utilities and other suppliers within the United States, wheels such electric energy through facilities located in the United States, and exports such electric energy to third parties in Mexico. AEP-EP requests export authorization to complete these transactions to the extent necessary under the Federal Power Act and the applicable regulations.<sup>2</sup>

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<sup>2</sup> AEP-EP has authority granted by FERC to make wholesale sales of electric energy at market-based rates. See 79 FERC P 61,308 (1997) (original order, authority has been updated since on numerous occasions).

- E. The name and address of any known Federal, State or local government agency which may have jurisdiction over the action to be taken in this application and a brief description of that authority:

AEP-EP does not know of any other Federal, State or local government that has jurisdiction over the actions to be taken under the authority sought in this application.

- F. A description of the transmission facilities through which the electric energy will be delivered to the foreign country, including the name of the owners and the location of any remote facilities:

As is the case under its existing authorization, AEP-EP seeks blanket authorization to export electric energy to Mexico over any authorized international electric transmission facilities that are appropriate for open access transmission by third parties, including facilities that have been authorized but not yet constructed and placed into operation (once such facilities have been issued a Presidential Permit and placed into commercial operation),<sup>3</sup> in accordance with the export limits authorized by DOE. AEP-EP does not propose to construct any facilities of its own.

- G. A technical description of the proposed electricity export's reliability, fuel use and system stability impact on the applicant's present and prospective electric power supply system. Applicant must explain why the proposed electricity export will not impair the sufficiency of electric supply on its system and why the export will not impede or tend to impede the regional coordination of electric utility planning or operation.

AEP-EP seeks renewed authority to transmit electric energy to Mexico. As previously stated, AEP-EP does not own, control or operate any generation, transmission or other facilities in the United States. Thus, AEP-EP has no "system" of its own in the United States on which its exports of power could have a reliability, fuel use or stability impact. AEP-EP will purchase the

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<sup>3</sup> In addition to the international transmission facilities located at the United States border with Mexico authorized by Presidential Permit and available for open-access transmission, if the international transmission facilities at Falcon Dam in Falcon Heights, Texas, which were authorized by treaty signed February 3, 1944, between the United States and Mexico and titled "Utilization of Waters of Colorado and Tijuana Rivers and of the Rio Grande," also are available for open-access transmission, AEP-EP also requests that DOE authorize AEP-EP to be able to export electric energy to Mexico on the Falcon Dam international transmission facilities, consistent with AEP-EP's existing export authorization.

electric energy to be exported to Mexico in the wholesale energy market pursuant to voluntary agreements with electric utilities and federal power marketing agencies as those terms are defined in Sections 3(22) and 3(19) of the Federal Power Act, 16 U.S.C. §§ 796(22) and 796(19). By definition, such power is surplus to the system of the electric utilities and federal power marketing agencies and, thus, will not impair or have an adverse effect on the sufficiency or operation of the electric power system and regional transmission systems within the United States or on the maintenance of adequate generation resources in the United States.

AEP-EP will make all necessary commercial arrangements, will obtain sufficient transmission capacity to wheel the exported energy to the border system, and will obtain all other regulatory approvals required in order to effect any power exports. This will include: (1) scheduling each transaction with the appropriate contract area in compliance with all reliability criteria, standards, and guidelines of the North American Electric Reliability Corporation and member regional entities in effect at the time of export; (2) coordinating exports with the authorized international electric transmission facilities, balancing authorities, regional entities, and/or other appropriate entities such that the total exports across the interconnection(s) are in conformance with the applicable operating limits and requirements; and (3) obtaining all necessary transmission access over the authorized international electric transmission facilities that are appropriate for open access transmission by third parties.

The existing procedures for obtaining transmission capacity on domestic transmission systems provide adequate assurance that the delivery of energy to the border systems will not impair the reliability of the United States electric power supply system. In addition, the services taken by AEP-EP to effectuate delivery of the electric energy to the border systems usually will be arranged via the Open Access Same-Time Information System and provided pursuant to an

open access transmission tariff, which are approved by FERC or ERCOT.

Transmitting the energy through the border systems and across the border to Mexico will not impair the United States electric power supply system nor impede coordinated use of regional facilities. AEP-EP will make the necessary commercial arrangements and will obtain sufficient transmission capacity to deliver the energy over the border systems and into Mexico. Traditional technical studies have been performed, submitted and reviewed by DOE in connection with the export authorizations issued to the facilities over which AEP-EP will export electric energy. AEP-EP respectfully requests that DOE utilize these operational reliability impact studies to make the necessary determinations and to conclude that the proposed export will have no adverse effect on the operation of regional transmission systems. AEP-EP has complied, and will continue to comply, with the terms and conditions contained in the Presidential Permits and export authorizations applicable to third-party international transmission facilities used by AEP-EP for energy exports to Mexico, as well as any export limitations that DOE has deemed or may deem appropriate for those facilities.<sup>4</sup>

H. Signature and verification under oath by the officer of the applicant having knowledge of the matters set forth herein.

The notarized verification under oath as to the information contained herein is attached as Attachment B.

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<sup>4</sup> AEP-EP also refers DOE to the Discussion and Analysis section of DOE's Order No. EA-318-C granting AEP-EP's existing export authorization, and DOE's findings therein, which remain valid today. *See, e.g., MAG Energy Solutions, Inc.*, Order No. EA-436-A, OE Docket No. EA-436-A (Aug. 11, 2022) (making similar findings with respect to power marketer's renewal of authority to export energy to Mexico).

### **III. PROCEDURES**

AEP-EP will make and preserve complete records regarding the electric energy exported to Mexico and will provide DOE with reports by February 15 each year covering each month of the preceding calendar year. Consistent with DOE regulations at 10 CFR § 205.38, these reports will show the gross amount of kilowatt-hours of electric energy delivered and the cost and revenue associated with such deliveries.

### **IV. EXHIBITS REQUIRED BY 10 C.F.R. § 205.303**

Pursuant to 10 C.F.R. § 205.303, the following Exhibits are attached to this Application:

- A. Exhibit A. A copy of the agreement or proposed agreement under which the electricity is to be transmitted including a listing of the terms and conditions. If this agreement contains proprietary information that should not be released to the general public, the applicant must identify such data and include a statement explaining why proprietary treatment is appropriate.

Electricity transmission will be handled via tariffs on file with the appropriate independent system operator. AEP-EP has a confidential EEI Agreement with the Comisión Federal de Electricidad of Mexico (CFE) which should be accorded proprietary and confidential treatment by DOE as it is designated by the parties as confidential and contains trade secret information, including specific commercial terms associated with transactions to export power. AEP-EP is therefore requesting confidential treatment of that agreement.

- B. Exhibit B. A showing, including a signed opinion of counsel, that the proposed export of electricity is within the corporate power of the applicant, and that the applicant has complied or will comply with all pertinent Federal and State laws.

A signed opinion of counsel is attached as Exhibit B.

- C. Exhibit C. A general map showing the applicant's overall electric system and a detailed map highlighting the location of the facilities or the proposed facilities to be used for the generation and transmission of the electric energy to be exported. The detailed map shall identify the location of the proposed border crossing point(s) or power transfer point(s) by Presidential Permit number whenever possible.

Not applicable. AEP-EP does not own or operate any electric system facilities or electric energy generation or transmission facilities and also does not propose to build any such facilities. AEP-EP requests waiver of the requirement to provide a map identifying the location of the proposed border crossing points or power transfer points by Presidential Permit number, to the extent necessary, as DOE maintains and approves such locations. AEP-EP requests authorization to export electric energy from the United States to Mexico over any authorized international electric transmission facilities that are appropriate for open access transmission by third parties,<sup>5</sup> including international electric transmission facilities not yet constructed once authorized, in accordance with the export limits authorized by DOE. To the extent the owners of the international transmission facilities have provided maps of their systems as part of their Presidential Permit applications and export authority applications, AEP-EP requests that such maps be deemed to satisfy any requirement for applicant to produce such maps in this proceeding.

- D. Exhibit D. If an applicant resides or has its principal office outside of the United States, such applicant shall designate, by irrevocable power of attorney, an agent residing within the United States. A verified copy of such power of attorney shall be furnished with the application.

Not applicable. AEP-EP's principal office is in Ohio.

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<sup>5</sup> See also Footnote 3.



- E. Exhibit E. A statement of any corporate relationship or existing contract between the applicant and any other person, corporation, or foreign government, which in any way relates to the control or fixing of rates for the purchase, sale or transmission of electric energy.

Not applicable. AEP-EP does not have any corporate or contractual relationship with any person, corporation or foreign government that in any way relates to the control or fixing of rates for the purchase, sale or transmission of electric energy.

- F. Exhibit F. An explanation of the methodology (Operating Procedures) to inform neighboring electric utilities in the United States of the available capacity and energy which may be in excess of the applicant's requirements before delivery of such capacity to the foreign purchaser. Approved firm export, diversity exchange and emergency exports are exempt from this requirement. Those materials required in this section which may have been filed previously with the ERA may be incorporated by reference.

Not applicable. As stated above, AEP-EP does not own or operate any generation or transmission facilities in the United States, and it will continue (as it has in the past) to rely on the border facilities to effectuate electric energy exports, and the Operating Procedures adopted by those border facilities to inform neighboring utilities of the available capacity and energy that may be in excess of the requirements before delivery of such capacity to a foreign purchaser.

## V. CONCLUSION

For the reasons stated above, AEP-EP requests that the Department of Energy renew, for a period of five years or any longer period allowable, DOE's grant to AEP-EP of blanket authorization to export electric energy from the United States to Mexico over any authorized international electric transmission facilities that are appropriate for open access transmission by third parties, in accordance with the export limits authorized by DOE, with an effective date of January 14, 2023.

Respectfully submitted,

**AEP ENERGY PARTNERS, INC.**

*Carol Gosain*

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Washington, DC 20036  
Telephone: (202) 429-6461  
cgosain@steptoe.com

*Attorney for AEP Energy Partners, Inc.*

October 19, 2022

AEP Energy Partners, Inc.  
Docket No. EA-318-C

**EXHIBIT A**  
**AGREEMENT**

AEP Energy Partners, Inc.  
Docket No. EA-318-C

**Confidential Treatment Requested for CFE Agreement**

AEP Energy Partners, Inc.  
Docket No. EA-318-C

**EXHIBIT B**  
**OPINION OF COUNSEL**



Jay Jadwin  
1 Riverside Plaza, 29<sup>th</sup> Floor  
Columbus, OH 43215  
Phone: 614 716 2940

October 17, 2022

United States Department of Energy  
Office of Electricity  
Washington, DC

RE: Application of AEP Energy Partners, Inc. for Renewal Authorization to Transmit Electricity from the United States to Mexico – Docket No. EA-

Department of Energy, Office of Electricity:

The following opinion is given in support of the renewal Application of AEP Energy Partners, Inc. ("AEP-EP") for Authorization to Transmit Electricity from the United States to Mexico ("Application"). I am counsel to AEP Energy Partners, Inc., and have represented AEP-EP in connection with the Application. I am an attorney-at-law, authorized to practice law in the State of Ohio. I have examined such corporate records, certificates and other documents, and such questions of law, as I have considered necessary or appropriate for the purposes of this opinion. Upon the basis of such examination and as of the date hereof, it is my opinion that:

1. AEP-EP is a corporation validly existing and in good standing under the laws of the State of Delaware and has its principal place of business in Ohio;
2. AEP-EP has the corporate power and authority to engage in the continued delivery and sale of electric energy to Mexico as set forth in the Application; and
3. Based upon my knowledge of the facts and the law, including as a result of my consultation with outside counsel, following the issuance of the authorization sought in the Application, AEP-EP will comply with all federal and state laws applicable to the continued export of electric energy as set forth in the Application.

The foregoing opinion is limited to the federal laws of the United States and the laws of the State of Ohio as of the date hereof, and I am expressing no opinion as to the effect of the laws of any other jurisdiction. In rendering this opinion, I have relied as to certain matters on information obtained from public officials, officers of AEP-EP, and other sources believed by me to be responsible, and I that the signatures on all documents examined by me are genuine.

I am furnishing this opinion solely for your benefit in connection with the Application. This opinion may not be relied upon by you for any other purpose or relied upon by or furnished to any other person without my express written consent.

Sincerely,

DocuSigned by:

A handwritten signature in black ink that reads "Jay E. Jadwin".

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Jay E. Jadwin

American Electric Power Service Corporation, Counsel

AEP Energy Partners, Inc.  
Docket No. EA-318-C

## **ATTACHMENT A**

### **Authorized International Transmission Facilities Located at the United States Border with Mexico**

## ATTACHMENT A

### Authorized International Transmission Facilities Located at the United States Border with Mexico

| Present Owner/Facility                              | Location              | Voltage       | Presidential Permit No. <sup>1</sup> |
|---|-----------------------|---------------|--------------------------------------|
| AEP Texas Central Co.                               | Laredo, TX            | 138 kV        | PP-317                               |
|   |                       | 230 kV        |                                      |
| El Paso Electric Co.                                | Sunland Park, NM      | 115 kV        | PP-92                                |
|   | Ascarate, TX          | 115 kV        | PP-48                                |
| Federal Power Commission                            | Presidio, TX          | 12.5 kV       | PP-3                                 |
| UNS   | Nogales, AZ           | 13 kV         | PP-16, PP-16-1                       |
|   | Lochiel, AZ           | 13.8 kV       | PP-40-1                              |
| Trico   | Tucson and Marana, AZ | 40 kw         | PP-35                                |
| Central Power and Light                             | Del Rio, TX           | 12 kV         | PP-59                                |
|   | Brownsville, TX       | 138 kV, 69 kV | PP-94                                |
|   | Eagle Pass, TX        | 138 kV        | PP-50 and PP-219                     |
| Imperial Irrigation District                        | Calexico, CA          | Two 34.5 kV   | PP-174                               |
| Arizona Public Service Company                      | Sonora, AZ            | 34.5 kV       | PP-106                               |
|   | San Luis, AZ          | 34.5 kV       | PP-108                               |
| Frontera Generation Ltd. Partnership                | Mission, TX           | Two 230 kV    | PP-206                               |
| Brownsville Public Utilities Board                  | Brownsville, TX       | Two 138 kV    | PP-226                               |
| Sempra Energy Resources/Baja California Power, Inc. | Imperial Valley, CA   | 230 kV        | PP-234, PP-234-1                     |
| Termoelectrica U.S., LLC                            | Imperial Valley, CA   | 230 kV        | PP-235, PP-235-1, PP-235-2           |
| Energia Sierra Juarez U.S. Transmission, LLC        | Jacumba, CA           | 230 kV        | PP-334                               |

<sup>1</sup> These Presidential Permit numbers refer to the generic Department permit number and are intended to include any subsequent amendments to the permit authorizing the facility.



|                                  |                          |         |         |
|----------------------------------|--------------------------|---------|---------|
| Comisión Federal de Electricidad | Falcon Dam, <sup>2</sup> | 138 kV  | N/A     |
|                                  | TX Redford, TX           | 7.2 kV  | PP-51   |
|                                  | Presidio, TX             | 13.8 kV | PP-3    |
|                                  | Comstock, TX             | 7.2 kV  | PP-75   |
| Generadora del Desierto – WAPA   | San Luis, AZ             | 230kV   | PP-304* |
| AEP Texas Central Company        | Brownsville, TX          | 138kV   | PP-425  |
|                                  | Laredo, TX               | 69kV    | PP-423  |
|                                  | Laredo, TX               | 138kV   | PP-423  |
|                                  | Eagle Pass, TX           | 230kV   | PP-424  |
| El Paso Electric Company         | Diablo, NM               | 115 kV  | PP-92   |
|                                  | Ascarate, TX             | 115 kV  | PP-48   |
| San Diego Gas & Electric         | Miguel, CA               | 230kV   | PP-68   |
|                                  | Imperial Valley, CA      | 230kV   | PP-79   |
|                                  | Tecate, California       | 12 kV   | PP-49-1 |
| Sharyland Utilities              | McAllen, TX              | 138kV   | PP-285  |
| Nogales Transmission             | Nogales, AZ              | 230kV   | PP-420* |

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<sup>2</sup> In addition to the international transmission facilities located at the United States border with Mexico authorized by Presidential Permit and available for open access transmission, it is AEP-EP's understanding that the international transmission facilities at Falcon Dam in Falcon Heights, Texas, which were authorized by treaty signed February 3, 1944, between the United States and Mexico and titled "Utilization of Waters of Colorado and Tijuana Rivers and of the Rio Grande," also are available for open access transmission. Thus, AEP-EP also requests that DOE authorize AEP-EP to be able to export electric energy to Mexico on the Falcon Dam international transmission facilities.

\* These facilities have been authorized but may not yet be constructed and/or placed into operation.

AEP Energy Partners, Inc.  
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## **ATTACHMENT B**

### **Verification**

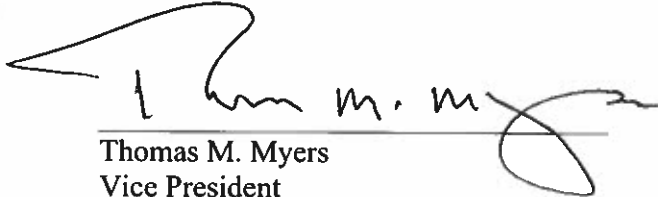
**VERIFICATION**

**THE STATE OF OHIO**  
**COUNTY OF FRANKLIN**

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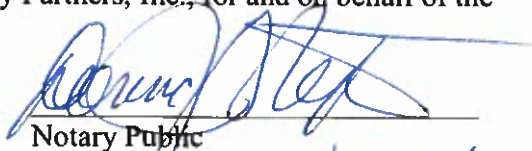
Thomas M. Myers, being first duly sworn, hereby certifies under oath:

I, Thomas M. Myers, am the Vice President of the Applicant, AEP Energy Partners, Inc., I have the authority to make this verification, I have read the foregoing Application of AEP Energy Partners, Inc. for renewal of the Authorization to Export Electricity from the United States to Mexico and have knowledge of its contents, and the same are correct and true to the best of my knowledge, information and belief.



Thomas M. Myers  
Vice President  
AEP Energy Partners, Inc.

Subscribed and sworn before me this 19<sup>th</sup> day of October, 2022 by Thomas M. Myers, Vice President, AEP Energy Partners, Inc., for and on behalf of the corporation.



Notary Public

Commission Expires: January 4, 2024



**DONNA J. STEPHENS**  
Notary Public, State of Ohio  
My Commission Expires 01-04-2024